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December 11, 2001

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RE: D.T.E. 98-57 (Phase I) - Letter Order re: August 22, 2001 Compliance Filing

Dear Attorney Sousa:

On August 22, 2001, Verizon New England, Inc. d/b/a Verizon Massachusetts ("Verizon") filed with the Department of Telecommunications and Energy ("Department") its compliance filing pursuant to the Department's Letter Order issued on July 25, 2001 in D.T.E. 98-57 (Phase I) ("Letter Order"). The Department has reviewed Verizon's compliance filing, and our determinations on Verizon's compliance with our Letter Order are outlined below.

First, in our Letter Order, we directed Verizon to apportion certain charges among carriers. Namely, we directed Verizon to apportion: (1) the security costs at remote terminals, notwithstanding the temporary exception to individual case base pricing afforded to security charges at remote terminals (Letter Order at 2-3); (2) the site preparation costs if Verizon conditions space at a remote terminal for more than one collocator (Phase I-B Order, at fn.16, D.T.E. 98-57 (Phase I); Letter Order at 4); and (3) the costs associated with the construction of a single point of interconnection ("SPOI") (Letter Order at 3). In response to these directives, Verizon modified Tariff No. 17 Part E, Sections 11.2.3.D and 11.2.1.A(6), and Part B, Section 12.1.5.D(3), respectively.

Our review of the above-referenced modifications reveals a common defect. Specifically, Verizon qualifies its duty to apportion these particular costs with “where appropriate.” This qualification, however, implies that the decision to pro-rate these costs is at Verizon’s discretion. Our directive that Verizon apportion remote terminal security costs, remote terminal site preparation costs and SPOI construction costs does not permit any exceptions. Accordingly, we find the qualifying language to be inconsistent with our Letter Order, and hereby strike it. We direct Verizon to modify its tariff accordingly.

Although Verizon maintains that, because the type of security measures required at remote terminals may vary based on the specific conditions at a particular site, and thus its lack of experience with remote terminal collocation necessitates the approach it takes,¹ we disagree. Our directive requires that regardless of the type of security measure that is deployed at a remote terminal location, the security costs must be apportioned.

Next, we find an additional flaw in the modification regarding apportionment of SPOI construction costs. Part B, Section 12.1.5.D(3) of the compliance filing states, in part, that “a TC will be charged only its pro rata share of these costs to the extent more than one TC accesses that SPOI.” We are concerned that the phrase “to the extent more than one TC accesses that SPOI” may allow Verizon to apportion the construction costs only if more than one carrier actually accesses that SPOI. However, we clearly stated that “Verizon must apportion these costs among the potential number of CLECs that may access the SPOI.” (Emphasis added). Accordingly, we find that Part B, Section 12.1.5.D(3) does not comply with our prior directive, and hereby strike the above-quoted language. Furthermore, we direct Verizon to incorporate the following language in Part B, Section 12.1.5.D(3): “The Telephone Company will apportion SPOI construction costs based upon the number of potential TCs that may access that SPOI, and a TC will be charged only its pro rata share of these costs regardless of whether more than one TC in fact accesses that SPOI.”

Lastly, concerning CLEC projections of facilities to be provisioned to the SPOI, we note that Verizon failed to reduce its five-year forecast requirement to one year. See Letter Order at 3. We direct Verizon to make this modification in its next compliance filing.

¹ See Response to DTE-VZ 1-1.

In sum, the Department denies, in part, the revisions to Tariff No. 17 filed with the Department on August 22, 2001, as noted herein. Other revisions contained in the August 22 filing are hereby approved. We direct Verizon to submit a compliance filing consistent with the findings contained herein within four weeks of the date of this Letter Order.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner

cc: Service List in D.T.E. 98-57 (Phase I)